



Speech by Michel Barnier, Chief Negotiator for the Preparation and Conduct of the Negotiations with the United Kingdom, at the plenary session of the European Committee of the Regions

Brussels, 22 March 2017

"The Conditions for Reaching an Agreement in the Negotiations with the United Kingdom"

President Markkula,

Good afternoon to everyone,

Presidents, Mayors, Members of the Committee of the Regions,

I am very happy to be back here, and I want to thank you for inviting me to talk about the upcoming negotiations, which will be both difficult and extraordinary. This is the first time I am speaking publicly about these issues since November. Allow me to say a word of solidarity, as we have just learned about the serious events taking place in London. There are victims; I do not know at this moment in time the nature of the event, but I would like to express my solidarity with the British people and the authorities.

For 44 years, the European Union and the United Kingdom have shared a common project.

- Together, we built the Single Market by knocking down the barriers between us and adopting common rules to enable the free movement of goods, services and people.
- Together, we created European citizenship, as an addition to national citizenship, and strengthened the values of the rule of law, peace and democracy which are at the heart of our European identity.
- Together, we supported the reunification of Europe after the fall of the Berlin wall. The United Kingdom was ambitious in quickly opening up its borders and its labour market to citizens from the new Member States. And we committed to financing the cohesion policy – to which your Committee is legitimately attached – to reduce the historical and territorial divide on our continent.

This common project will continue, but without the United Kingdom, as was its wish.

The decision by the majority of the British people to leave the European Union has led to an exceptional situation.

We now know that the United Kingdom will notify the European Council of its intention to leave on 29 March. This notification will formally trigger a two year period of negotiations.

On the basis of this notification, the 27 Heads of State or Government, as well as Presidents Tusk and Juncker, will begin work, over a period of a couple of weeks, on the guidelines which I will need to conduct the negotiations, while respecting the mandate of the European Council and Council, and the confidence of the European Parliament, who is hosting you today.

Brexit will have significant human, economic, financial, legal and political consequences.

But the consequences of a no deal situation would be even more significant – for everyone:

- More than four million citizens – UK citizens in the EU and EU citizens in the UK – confronted with extreme uncertainty concerning their rights and their future;
- Supply problems in the United Kingdom, disrupting value chains;
- The reintroduction of burdensome customs checks, inevitably slowing down trade and lengthening lorry queues in Dover;
- Serious disruption in air traffic to and from the United Kingdom;
- Suspension of the distribution of nuclear material to the United Kingdom, as it finds itself outside EURATOM overnight. I can multiply the examples.

The United Kingdom would be seriously affected by such a situation: two thirds of its trade is currently enabled – and protected – by the Single Market and the free-trade agreements of the European Union

with more than 60 partner countries.

The Union, our Union, will also be affected, even if we continue to benefit from the Single Market at 27 and from our free-trade agreements.

The no-deal scenario is not our scenario.

We want a deal. We want to succeed by reaching a deal.

Succeed with the British, not against them.

That is why, on behalf of the 27 and of my team, our priority is to reach an agreement on the orderly withdrawal of the United Kingdom, and to prepare the way for a new partnership.

We need to speak today about the conditions for reaching an agreement.

The first condition is the unity of the 27, which goes hand in hand with transparency and public debate.

Since I took up office on 1 October, I have met the governments of all 27 Member States.

Over the past few weeks, I have started a second tour of the capitals to meet the governments again, as well as the national Parliaments, trade unions and professional organisations.

During this period and for the duration of the negotiations, I will naturally work in close cooperation with the European Council, its President Donald Tusk, the Council, the European Parliament and its President, Antonio Tajani, and all other bodies and institutions of the European Union.

That is why – President Markkula, ladies and gentlemen – I am very happy to be before the Committee of the Regions today. I often worked with the Committee when I was Commissioner for regional policy. Because you are the voice of the regions, cities, and rural areas in all their diversity.

Unity does not mean uniformity. Unity is the first condition for reaching an agreement in the negotiations.

It is of course in our interest. But it is also – and I want to say this to our British partners, I know that some of them are in the room – in the UK's interest. Because, at the end of the day, we will both need a united Europe to reach a deal.

I would add another point: this unity will be even stronger when it is built on transparency and public debate. And your Committee, once again, will actively, I know, take part in this public debate.

These negotiations cannot take place in secret.

We will negotiate in a transparent and open manner, explaining to everyone what we are doing.

During these negotiations, we must also explain objectively what "leaving the European Union" means, for the withdrawing country and for the other Member States.

We need to tell the truth – and we will tell the truth – to our citizens about what Brexit means.

The second condition for reaching an agreement is removing the uncertainty created by the UK's decision to leave the European Union.

This uncertainty is first and foremost that of the four and a half million citizens:

- The Polish students who have access to British universities under the same conditions as British students;
- The British pensioners who are resident in Spain and who benefit from healthcare under the same conditions as Spanish pensioners
- The Romanian nurses and doctors who contribute to the quality of healthcare in the United Kingdom;
- Or the engineers from Italy, Germany or elsewhere, who chose to work in the United Kingdom, just like the thousands of British people who have made the same choice to work in Berlin, Rome or Vienna.

We hear their doubts. We understand their worry, and we must act effectively in response.

Guaranteeing their rights as European citizens, in the long term, will be our absolute priority from the very start of the negotiations.

Our watchword will be: "Citizens first!" And I welcome the College's decision this morning to register the two Citizen's Initiatives.

The issues at play are complex, whether they are residency rights, access to the labour market, pension or social security rights, or access to education.

We will work methodically on each of these points. We will not leave any detail untouched, and we are

already working with all Member States on this.

It will take time, several months certainly. We must do serious legal work on this with the United Kingdom.

But we can and we should agree – as soon as possible – on the principles of continuity, reciprocity and non-discrimination so as not to leave these citizens in a situation of uncertainty.

Next is the uncertainty for regional and local authorities and all beneficiaries of programmes that are currently financed by the European budget.

Who and what are we talking about?

Beneficiaries of the European Social Fund, which – with almost €90 billion for all regions – helps those men and women who are least qualified and have most difficulty in finding work.

- Beneficiaries of the European Regional Development Fund, that you all know well: we are talking about almost €200bn to support regions in economic difficulty and regions that are isolated.
- Beneficiaries of the Juncker Investment Plan; almost €315bn of investments, thanks to which we are fighting climate change, for instance by financing a wind farm in Belgium. The plan also supports advanced infrastructure in healthcare and energy in the UK.
- Beneficiaries of the Horizon 2020 research programme, which allows the EU to invest almost €80bn in science and industrial innovation, which helps us face up to the big challenges of our time.

All these programmes :

- We approved them together, at 28, with the United Kingdom.
- We finance them together, at 28.
- We benefit from them, at 28.

Each country must honour its commitments to each other. Let me be clear: when a country leaves the Union, there is no punishment. There is no price to pay to leave. But we must settle the accounts. We will not ask the British to pay a single Euro for something they have not agreed to as a member.

In the same way, the 27 will also honour their commitments concerning the United Kingdom, its citizens, companies and regions. This is the mutually responsible way to act.

If I may quote, with humility, one of the greatest men of European history – Winston Churchill: "the price of greatness is responsibility".

That is true for Britain and also for us.

A third uncertainty created by the UK decision to leave concerns the new borders of the Union.

I think particularly of Ireland.

I have been Commissioner in charge of the PEACE programme. I understand the Union's role in strengthening dialogue in Northern Ireland and supporting the Good Friday Agreement, of which the United Kingdom is one of the guarantors.

That is why we will be – and I will be – particularly attentive, in these negotiations, to the consequences of the UK's decision to leave the Customs Union, and to anything that may, in one way or another, weaken dialogue and peace.

Mr. President, ladies and gentlemen,

There is a third condition in reaching an agreement: we must do things in the right order and put them into perspective.

The challenge is to build a new partnership between the European Union and the United Kingdom on a solid foundation, based on mutual confidence.

That means putting things in the right order: finding an agreement first on the principles of the orderly withdrawal of the United Kingdom, in order to discuss subsequently – in confidence – our future relationship.

The sooner we agree on the principles of an orderly withdrawal, the sooner we can prepare our future relationship.

On the contrary, if we do not remove the uncertainties, if we push the difficult subjects to the end of the negotiations, we run the risk of failure.

Of course, there will be difficult moments.

I have always observed one thing throughout my political career, including when I was President of the

region of Savoy: obstacles are a lot easier to overcome when one has perspective and when one puts problems into perspective. That is what we are going to do in these negotiations and we will do so as soon as possible.

What perspective?

That of a "new partnership" between the European Union and the United Kingdom.

For a long time – precisely since my first vote in 1972 when I was 21 years of age, when I campaigned for the accession of the United Kingdom to the European Community – I have had the belief that we have a lasting tie with the United Kingdom. We have a community of values and interests.

It is not too early to start outlining the contours of our new partnership today, even if it is too early to start negotiating.

There will be a free-trade agreement at the centre of this partnership, which we will negotiate with the United Kingdom in due course.

This free-trade agreement cannot be equivalent to what exists today. And we should all prepare ourselves for that situation.

The United Kingdom chooses to leave the Single Market and the Customs Union. It will be a third country in two years from now.

By making this choice, the United Kingdom will naturally find itself in a less favourable situation than that of a Member State.

It will not be possible to cherry-pick and be a participant in parts of the Single Market.

This free-trade agreement will be unprecedented in European history.

Until now, all trade agreements with the European Union – which cover more than 60 countries, for example with South Korea and recently with Canada – are all signed within the framework of regulatory convergence.

Here we are in a different situation: at the outset of the negotiations, our standards and rules are perfectly integrated between the UK and the EU27.

What we have here is not regulatory convergence but the risk, or the probability of regulatory divergence, which could harm the Single Market.

We will all be wary that this regulatory divergence does not turn into regulatory dumping: the governments, the European Parliament, me as negotiator, the national Parliaments and civil society.

If it were otherwise, these negotiations would provoke misunderstandings and opposition to the free-trade agreement itself.

I would remind you that this agreement, which would undoubtedly be a mixed agreement, must, in any case, be ratified by all Member States and their national Parliaments.

To avoid this risk, we must prevent regulatory dumping. Guaranteeing and enforcing these common rules and a level playing field will be crucial.

We agree with Theresa May when she recently called for a "bold and ambitious free-trade agreement".

Yes to the ambition! But this ambition also applies to social, fiscal, environmental and consumer protection standards, which European citizens rightly support.

Our community of values and interests with the United Kingdom goes beyond trade.

We are ambitious in our research and innovation networks, our laboratories and universities, even if the regulatory and financial framework of our current cooperation will obviously change in the future.

We are ambitious in the fight against climate change, where we will succeed even more by staying together, within the spirit of our common commitments of the Paris Agreement.

We are ambitious in international cooperation and development, especially when it comes to our neighbouring continent, Africa.

We are ambitious in the field of internal and external security, whether it is the fight against terrorism, exchange of information, the fight against hybrid threats or cybersecurity.

I say this in particular today, where I think of the victims of the attacks in London but also of the victims of the attacks of 22 March in Brussels, and of all the victims of attacks in Europe and in the world.

We are ambitious in the area of defence.

On this point, the United Kingdom has always played an active and important role in NATO, with

numerous European countries, but also in a number of European Union initiatives and operations linked to the Common Security and Defence Policy.

In the 27's work on their own defence, based on proposals by Federica Mogherini and the Commission, we should keep open the possibility of bilateral cooperation with the United Kingdom.

We should not haggle with the security of our fellow citizens in trade discussions.

In these negotiations, there should be no trade-off between security and commercial interests.

Mr. President, Ladies and Gentlemen,

Once we have agreed on the outlines of the new partnership, we will be able to identify the necessary transitional arrangements.

We know that this new partnership will need time, whether it involves a free-trade agreement or any other form of cooperation.

A certain number of transitional arrangements may be necessary. It is too early to say.

In any case, these possible arrangements must be supervised by European law and its associated legal system. Their duration will be strictly limited. They cannot be equivalent to any form of cherry-picking of the Single Market.

To finish my speech, I would like to repeat here that our intention is to reach an agreement in the negotiations. We will be firm, we will be friendly, but we will never be naive. I spoke very openly today so that everyone understands the conditions for reaching an agreement:

- Always work together, at 27, through transparency and public debate;
- Quickly remove the uncertainty created by the UK's decision to leave: for citizens in the first place, for beneficiaries of the European budget, and the new borders of the Union.
- Put things in the right order and into perspective.

We will then be able to deal with the discussion on our future relationship, based on a strong foundation.

As I am speaking about the future of the 27, I do not need to emphasise the fact that the issues, the challenges and the new European agenda will not be reduced to Brexit. They go much further.

The priority is – and will be – to strengthen our Union to tackle our common challenges.

The European Commission, under its president – Jean-Claude Juncker – has initiated this debate by publishing the White Paper on the Future of Europe.

This week, the Heads of State and Government will meet in Rome to celebrate the 60th anniversary of our founding Treaty.

Despite the crises, despite Brexit and its difficulties, this anniversary will not be nostalgic or defensive.

It will be the moment for us, the 27, and of a new departure for the Union and for action.

Thank you.

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